



AGENDA
August 9, 2018
8:00 am

Committee Members

Council Member Teresa O'Neill, Chair
Carmen Pascual
Bianca Wilczoch
Michael Louis Ferrito

Staff

Housing & Community Services Division Manager, Jonathan Veach
Staff Analyst, Kathy Flood (Staff Liaison)
Building/Housing Inspector, Carlos Azcona
Office Specialist, Jennifer Carvalho

1. Call to Order
2. Public Presentations
This portion of the meeting is reserved for persons to address the Housing Rehabilitation Loan Committee on any matter not on the agenda. The law does not permit Housing Rehabilitation Loan Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. Commissioners or the staff liaison may briefly respond to statements made or questions posed and may request staff to report back at a subsequent meeting. Please limit your remarks to 3 minutes.
3. Review of *Approved* Minutes from May 10, 2018
4. Items for Discussion:
 - A. Review Budget Status Reports
 - B. Program Status
 - i. Completed Projects
 - ii. Adopted Municipal Fee Schedule
5. Items For Action:
 - A. Projects Pending Review and Action
 - B. Loan Extension Request
6. Other Business
7. Adjournment - Next meeting: **November 8, 2018 at 8:00 am**



MINUTES OF THE HOUSING REHABILITATION LOAN COMMITTEE

City Manager's Staff Conference
Room 1500 Warburton Ave, Santa Clara,
CA, 95050

MEETING MINUTES May 10, 2018 8:00 A.M.

Committee Members Present:

Teresa O'Neill – Council Member/Chair
Carmen Pascual
Bianca Wilczoch
Michael Louis Ferrito

Staff:

Jonathan Veach, Housing Division Manager
Kathy Flood, Staff Analyst
Carlos Azcona, Building/Housing Inspector
Jennifer Carvalho, Office Specialist

Matters for Council Action: None

1. Call to Order/Roll Call

Meeting was called to order by Council Member/Chair O'Neill at 8:05 A.M.

2. Public Presentations

None

3. Review of Approved Minutes from February 8, 2018

4. Items on Agenda

ITEMS FOR DISCUSSION

A. Review of Budget Status Reports

Current budget reports were reviewed and discussed. Division Manager Veach explained the increased allocation for CDBG and HOME funds from HUD for FY1819. With this increase and with our restructured Grant program that will be implemented next fiscal year (\$100k), the division will increase advertising to promote the NCIP program.

B. Program Status

i. Staffing Update

a. Introduction of new Building/Housing Inspector

Carlos Azcona was introduced to the Committee; he provided a brief overview of his experience, including time at City of San Jose. Committee Chair O'Neill asked about specifics of San Jose's program and revitalization.

- ii. Completed Projects
Before and after photos were displayed of two recent completed projects with a positive response to the quality work that was done.
- iii. Program Evaluations
Recent evaluations were shared with the Committee – they were pleased with the positive responses from recent clients. Committee Member Pascual asked if these responses could be incorporated in our marketing tools to help promote the NCIP program. She also asked if the form could be completed online – no it is not. With our average client being older, our experience shows they prefer to complete the form by hand, so we have not posted to the website.

5. Items for Possible Action

A. Projects Pending Review and Action

Client #10395 – Estella Drive

Motion: Approve an amount up to \$25,000 for identified work, to demolition of non-permitted in-ground vinyl lined swimming pool, plus a 25% contingency loan, 3% interest and twenty year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$31,250.00.

Motion approved 4-0

B. Review of Approved Urgent Loan

Client #10520 – Bucher Ave

Motion: Approve the additional scope for identified work, with no increase to funds, to expand scope of work to complete the supply re-pipe under floor. Client currently has \$40,400 in approved funds with \$4,460.80 remaining from completed projects.

Requested work estimated at \$3,000.

Motion approved 4-0

6. Other Business

A. Community HERO nominations

The Committee has been offered the opportunity to nominate local HEROs by the office of Assembly Member Kansen Chu.

B. Possible elimination of Loan Committee

As part of the restructuring analysis with City Council on reducing council committees, the Housing Rehabilitation Loan Committee is one among five committees listed for possible elimination. Discussion included the administrative nature of the committee's objective, the transition to an internal loan approval process and the possibility of a creating an organized forum to discuss broader housing issues. A formal decision on the elimination is anticipated later this year.

7. Adjournment – Next meeting scheduled for August 9, 2018 at 8:00 A.M.

Meeting adjourned at 9:31 A.M.

NCIP FY2017-18 Budget Status Reports

Year End Budget Summary

HUD Grant	CDBG	HOME	TOTAL
FY2017-18 Total HUD Grant	\$ 903,714.00	\$ 299,356.00	\$ 1,203,070.00

Source of NCIP Funds	CDBG	HOME	TOTAL
FY2017-18 Program Allocation	\$ 463,802.00	\$ -	\$ 463,802.00
FY2017-18 Program Income-Loan Payments (PI) (over budgeted \$366K)	\$ 89,563.42	\$ -	\$ 89,563.42
FY2018-19 Approved Program Allocation	\$ 881,738.00	\$ -	\$ 881,738.00
Total NCIP Source of Funds	\$ 1,435,103.42	\$ -	\$ 1,435,103.42
Set aside from current FY PI for FY2017-18 admin (20% CDBG) over \$366K	\$ (17,912.68)	\$ -	\$ (17,912.68)
15% set aside from current FY PI for FY2018-19 Public Services over \$366K	\$ (13,434.51)	\$ -	\$ (13,434.51)
Total NCIP Available Source Funds	\$ 1,403,756.22	\$ -	\$ 1,403,756.22

Use of Funds	CDBG	HOME	TOTAL
FY2017-18 Loan Expenditures	\$ 115,493.22	\$ -	\$ 115,493.22
FY2017-18 Grant Expenditures (AP, Direct Charges & Burden)	\$ 77,821.12	\$ -	\$ 77,821.12
Total Use of Funds	\$ 193,314.34	\$ -	\$ 193,314.34

Available Source Minus Use Balance	\$ 1,241,789.08	\$ -	\$ 1,241,789.08
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Current NCIP Activity	CDBG	HOME	TOTAL
Balance remaining on projects in progress - Executed loans w/contingency	\$ 164,635.42	\$ -	\$ 164,635.42
Estimated remaining soft cost expenditures of executed loans	\$ 44,570.68	\$ -	\$ 44,570.68
Total	\$ 209,206.10	\$ -	\$ 209,206.10

NCIP Approved Activity - Pending	CDBG	HOME	TOTAL
Approved loans not yet executed	\$ 262,500.00	\$ -	\$ 262,500.00
Estimated soft cost expenditures of approved loans	\$ 26,250.00	\$ -	\$ 26,250.00
Subtotal	\$ 288,750.00	\$ -	\$ 288,750.00
Total of recommended loans w/contingency	\$ 231,875.00	\$ -	\$ 231,875.00
Total	\$ 520,625.00	\$ -	\$ 520,625.00

source data:

CSC Account Activity Detail Query

NCIP FY2017-18 Financial Status
Total Program Income FY1718

<u>Client/Source</u>	<u>CDBG</u>	<u>HOME</u>	<u>Total</u>
00204	\$ 47,136.78	\$ -	\$ 47,136.78
00311	\$ 50,471.32	\$ -	\$ 50,471.32
00366	\$ 12,359.01	\$ 35,350.79	\$ 47,709.80
00567	\$ 1,858.65	\$ -	\$ 1,858.65
00734	\$ -	\$ 20,307.79	\$ 20,307.79
00758	\$ 79,449.48	\$ 46,100.72	\$ 125,550.20
00923	\$ 26,586.68	\$ -	\$ 26,586.68
10031	\$ 2,110.75	\$ -	\$ 2,110.75
10061	\$ -	\$ 650.00	\$ 650.00
10077	\$ 10,000.00	\$ -	\$ 10,000.00
10107	\$ 22,639.23	\$ 24,494.16	\$ 47,133.39
10158	\$ -	\$ 8,255.39	\$ 8,255.39
10253	\$ 79,914.12	\$ -	\$ 79,914.12
10313	\$ 9,000.00	\$ -	\$ 9,000.00
10358	\$ -	\$ 849.45	\$ 849.45
10381	\$ 17,581.42	\$ -	\$ 17,581.42
10441	\$ 28,872.05	\$ -	\$ 28,872.05
10489	\$ 25,353.40	\$ -	\$ 25,353.40
10532	\$ 4,072.84	\$ -	\$ 4,072.84
10536	\$ 38,157.69	\$ -	\$ 38,157.69
Program Income to Date	\$ 455,563.42	\$ 136,008.30	\$ 591,571.72

<u>Fiscal Year</u>	<u>CDBG/HOME</u>
2012/13	\$ 427,989.00
2013/14	\$ 748,935.00
2014/15	\$ 544,733.00
2015/16	\$ 581,303.00
2016/17	\$ 594,999.72
2017/18	\$ 591,571.72
Total	\$ 3,489,531.44

NCIP FY2017-18 Financial Status
Total Loan Approvals and Expenditures FY1718

Client Number	Prior Loan Amount	Loan Amount FY2017-18	Prior Year CDBG Expenditures	Current Year CDBG Expenditures	Remaining Loan Balance	Remaining Estimated Grant Costs
00320	\$ 22,000.00			\$ -	\$ 22,000.00	\$ 5,500.00
00338		\$ 20,846.00	\$ -	\$ 20,846.00	\$ -	\$ -
10036	\$ 89,525.79	\$ 22,500.00	\$ -	\$ -	\$ 22,500.00	\$ 5,625.00
10395		\$ 17,500.00	\$ -	\$ -	\$ -	\$ 1,750.00
10502	\$ 75,566.43	\$ 20,800.00	\$ 75,566.43	\$ 20,800.00	\$ -	\$ -
10520		\$ 35,943.20	\$ 14,648.20	\$ 21,295.00	\$ 4,456.80	\$ 445.68
10542		\$ 125,000.00	\$ -	\$ 9,321.38	\$ 115,678.62	\$ 31,250.00
10544		\$ 43,230.84	\$ -	\$ 43,230.84	\$ -	\$ -
Total of executed loans		\$ 472,912.26	\$ 90,214.63	\$ 115,493.22	\$ 164,635.42	\$ 44,570.68
10539		\$ 50,000.00		\$ -	\$ 50,000.00	\$ 10,000.00
10541		\$ 87,500.00		\$ -	\$ 87,500.00	\$ 17,500.00
10543		\$ 125,000.00		\$ -	\$ 125,000.00	\$ 25,000.00
Total of approved* loans		\$ 262,500.00	\$ -	\$ -	\$ 262,500.00	\$ 26,250.00
Totals		\$ 735,412.26	\$ 90,214.63	\$ 115,493.22	\$ 427,135.42	\$ 97,070.68

*Approved only, loan documents not yet executed

Loan reductions/withdrawals FY1718

10532	Withdrew	\$ 110,000.00
10533	Withdrew	\$ 30,800.00
10538	No longer eligible	\$ 114,340.00
10539	Reduced loan amount	\$ 50,000.00
10540	No longer eligible	\$ 31,250.00
10544	Reduced loan amount	\$ 11,250.00
10547	Withdrew	\$ 15,000.00
Total cost reduction FY1718		\$ 362,640.00

Recommended Loans	CDBG
10081	\$ 20,000.00
10522	\$ 5,500.00
10550	\$ 100,000.00
10552	\$ 60,000.00
Total	\$ 185,500.00
25% contingency	\$ 46,375.00
Maximum loan amount	\$ 231,875.00

NCIP FY2017-18 Financial Status
Total Grant Expenditures FY1718

Borrower/Indirect Labor	CDBG Grant	CDBG Direct Charges	TOTAL
00320	\$ 28.00	\$ 867.70	\$ 895.70
00338	\$ 379.66	\$ 1,577.60	\$ 1,957.26
00399*	\$ 1,485.10	\$ 12,112.97	\$ 13,598.07
10036	\$ 18.00	\$ 772.76	\$ 790.76
10081	\$ -	\$ 885.80	\$ 885.80
10395	\$ -	\$ 542.54	\$ 542.54
10462	\$ 28.00	\$ -	\$ 28.00
10494	\$ 3,095.00	\$ -	\$ 3,095.00
10499	\$ 100.00	\$ -	\$ 100.00
10502	\$ -	\$ 1,176.68	\$ 1,176.68
10505	\$ 33.00	\$ -	\$ 33.00
10520	\$ 1,000.00	\$ 1,669.06	\$ 2,669.06
10522	\$ 200.00	\$ -	\$ 200.00
10524	\$ -	\$ 1,324.32	\$ 1,324.32
10533	\$ 2,265.00	\$ 208.67	\$ 2,473.67
10538	\$ -	\$ 212.71	\$ 212.71
10539	\$ 854.00	\$ 1,209.37	\$ 2,063.37
10541	\$ 8,815.00	\$ 2,113.62	\$ 10,928.62
10542	\$ 7,895.19	\$ 4,588.13	\$ 12,483.32
10543	\$ 8,743.00	\$ 1,311.29	\$ 10,054.29
15044	\$ -	\$ 1,166.12	\$ 1,166.12
10546	\$ 1,769.97	\$ 508.69	\$ 2,278.66
10547	\$ -	\$ 2,653.44	\$ 2,653.44
10548	\$ 525.00	\$ 675.27	\$ 1,200.27
10549	\$ -	\$ 418.37	\$ 418.37
10550	\$ 2,941.00	\$ 1,279.29	\$ 4,220.29
10551	\$ 160.00	\$ 211.80	\$ 371.80
Expenditures to date	\$ 40,334.92	\$ 37,486.20	\$ 77,821.12

*Burden - employee benefits based on direct labor hours

CITY OF SANTA CLARA MUNICIPAL FEE SCHEDULE

SUBMITTED BY DEPARTMENT / DIVISION:

COMMUNITY DEVELOPMENT / HOUSING & COMMUNITY

RESOLUTION NUMBER:

APPROVED:

DESCRIPTION OF FEE , RATE OR CHARGE	CURRENT FEE and PERIOD	CHARGING DEPT / DIV ----- COLLECTING DEPT / DIV	DATE FEE LAST CHANGED	OBJECTIVE 1=Recover Cost 2=User Tax 3=User Fee 4=Penalty 5=Compliance 6=Impact Development Fee	FEE DETAIL	FULL COST FACTORS	COMMENTS	NEW OR REVISED FEE 2018-19	Percent Change
			ORDINANCE NUMBER & DATE (if applicable)		OBJECTIVE PROP 26 EXCEPTION (SEE READER'S GUIDE) FULL COST FACTOR				
Neighborhood Conservation Improvement Program (NCIP) Loan Application Fee	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 587.34	Personnel \$ 394.93 Equipment Mat/Sup/Svc Other Costs 16.21 Overhead 176.20 TOTAL = \$ 587.34	Non interest bearing fee, due at loan payoff.	\$ 587.00	NEW
Residential Loan Refinance / Subordinations all programs	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 1,174.70	Personnel \$ 789.07 Equipment Mat/Sup/Svc Other Costs 32.41 Overhead 353.22 TOTAL = \$ 1,174.70		\$ 1,174.00	NEW
Multi-Family (MF) Loan Subordination Request Review Fee	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 5,873.43	Personnel \$ 3,944.63 Equipment Mat/Sup/Svc Other Costs 161.91 Overhead 1766.89 TOTAL = \$ 5,873.43	Deposit to cover internal costs. Borrower will be responsible for all outside legal & consulting fees, ie., HTSV.	\$ 5,873.00	NEW
Loan Demand Payoff Fee All Programs through Title closings	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 881.01	Personnel \$ 591.39 Equipment Mat/Sup/Svc Other Costs 24.30 Overhead 265.32 TOTAL = \$ 881.01	Excludes NCIP payoffs due to language of no fee's in their loan doc's.	\$ 880.00	NEW

CITY OF SANTA CLARA MUNICIPAL FEE SCHEDULE

SUBMITTED BY DEPARTMENT / DIVISION:
COMMUNITY DEVELOPMENT / HOUSING & COMMUNITY

RESOLUTION NUMBER:

APPROVED:

DESCRIPTION OF FEE , RATE OR CHARGE	CURRENT FEE and PERIOD	CHARGING DEPT / DIV ----- COLLECTING DEPT / DIV	DATE FEE LAST CHANGED	OBJECTIVE 1=Recover Cost 2=User Tax 3=User Fee 4=Penalty 5=Compliance 6=Impact Development Fee	FEE DETAIL	FULL COST FACTORS	COMMENTS	NEW OR REVISED FEE 2018-19	Percent Change
			ORDINANCE NUMBER & DATE (if applicable)		OBJECTIVE PROP 26 EXCEPTION (SEE READER'S GUIDE) FULL COST FACTOR				
Loan Demand Payoff Fee All Programs for walk-ins	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 587.34	Personnel \$ 406.14 Equipment Mat/Sup/Svc Other Costs Overhead 181.20 TOTAL = \$ 587.34	Excludes NCIP payoffs due to language of no fee's in their loan doc's.	\$ 587.00	NEW
Multi-Family Monitoring Fee	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 48.95	Personnel \$ 48.95 Equipment Mat/Sup/Svc Other Costs Overhead TOTAL = \$ 48.95		\$ 48.95 Per Unit	NEW
Affordable Housing Developer Agreement Preparation	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 1,500.00	Personnel \$ 1,500.00 Equipment Mat/Sup/Svc Other Costs Overhead TOTAL = \$ 1,500.00		\$ 1,500.00 Per Agreement	NEW
Affordable Housing Application Fee	\$	Charged By: HCSD Collected By: HCSD	Date: Res. No.	3	Objective: User Fee Prop 26 Exception: 2 Full Cost: \$ 50.00	Personnel \$ Equipment Mat/Sup/Svc Other Costs 50.00 Overhead TOTAL = \$ 50.00		\$ 50.00 Per Application	NEW

Projects Pending Committee Review and Action New Work Requested

1. Client #10081

Eligibility	<50% of County Median Income
Household Number	2
Requested Work	Sump pump repair/Water Heater & Furnace replacement
Staff Estimate	\$20,000
Staff Recommendation	Approve an amount up to \$20,000 for identified work, plus a 25% contingency loan, 3% interest and twenty year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$25,000.

2. Client #10522

Eligibility	<50% of County Median Income
Household Number	2
Requested Work	Termite fumigation and repairs.
Staff Estimate	\$5,500
Staff Recommendation	Approve an amount up to \$5,500 for identified work, plus a 25% contingency loan, 3% interest and twenty year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$6,875.

3. Client #10550

Eligibility:	<30% of County Median Income
Household Number:	4
Requested work:	Complete bathroom and kitchen rehab; re-roof, termite work, furnace and flooring throughout, tree removal, hardscape, ext. paint
Staff Estimate:	\$100,000
Staff Recommendation:	Approve an amount up to \$100,000 for identified work, plus a 25% contingency loan, 3% interest and twenty year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.

4. Client #10552

Eligibility:	<80% of County Median Income
Household Number:	2
Requested work:	Bathroom & kitchen remodel; drywall repair; flooring
Staff Estimate:	\$60,000
Staff Recommendation:	Approve an amount up to \$60,000 for identified work, plus a 25% contingency loan, 3% interest and twenty year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$75,000.

Loan Extension Request

1. Client #00464

Eligibility: <30% of County Median Income
Household Number: 1
Loan Amount \$35,000.00
Loan Date: June 14, 1996 \$35,000
Maturity Date: June 14, 2016

Request: 10 year extension, from original maturity date, of a 20 year deferred Promissory Note; new maturity date to be June 14, 2026. As a requirement to request this extension, client re-applied and has re-qualified for the program.

Staff Recommendation: Approve a 10 year extension, from the original maturity date, of a 20 year deferred promissory note; new maturity date to be **June 14, 2026.**